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DE RUEHUL #4309/01 3530231
ZNY CCCCC ZZH
O 190231Z DEC 06
FM AMEMBASSY SEOUL
TO RUEHC/SECSTATE WASHDC IMMEDIATE 1989
INFO RUEHBJ/AMEMBASSY BEIJING 1778
RUEHKO/AMEMBASSY TOKYO 1874
RUEHMO/AMEMBASSY MOSCOW 7747
RHMFISS/COMUSKOREA J5 SEOUL KOR
RHMFISS/COMUSKOREA J2 SEOUL KOR
RHMFISS/COMUSKOREA SCJS SEOUL KOR
RHMHUNA/CDR USPACOM HONOLULU HI
RUEKJCS/SECDEF WASHINGTON DC//OSD/ISA/EAP//
RHEHNSC/NSC WASHINGTON DC

CONFIDENTIAL SEOUL 004309

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E.O. 12958: DECL: 12/19/2016 TAGS: <u>PREL PGOV PARM KS KN</u>

SUBJECT: INCOMING UNIFICATION MINISTER URGES FLEXIBILITY ON

DPRK

REF: STATE 197902

Classified By: Amb. Alexander Vershbow. Reasons 1.4 (b/d)

SUMMARY

(C) In a meeting with the Ambassador on December 18, Unification Minister Lee Jae-joung reaffirmed that the U.S.-ROK alliance was "essential" to peace on the Korean Peninsula and Northeast Asia. The ROKG would work closely with the USG, fully implement UNSCR 1718, and cooperate with the international community to resolve the DPRK nuclear issues peacefully. Lee expressed his hope that the USG and DPRK would present a more flexible and productive approach than previously at the Six Party Talks. He also asserted that Six Party Talks and inter-Korean talks were complementary. The Ambassador agreed that two forums were connected and suggested ensuring that our combined leverage with the DPRK was carefully calibrated to facilitate progress in the Six Party Talks. He also encouraged the ROKG to strengthen inspections on cargo going through two DMZ transportation corridors in light of UNSCR 1718 (ref A). two also spoke to the need for USG-ROKG consultations before any potential ROK-DPRK summit. END SUMMARY.

ALLIANCE, 6PT, AND INTER-KOREAN RELATIONS

12. (C) In welcoming the Ambassador during a December 18 courtesy call, Unification Minister Lee Jae-joung, who took office on December 11, referred to his background as an Anglican Pastor and recalled that U.S.-Korean relations reached back over 100 years. The relationship had benefited from early efforts of American Horace Allen's Protestant missionary work in the 19th century and his role as Ambassador to Korea (1897-1905). Making a biblical reference to the Season of Lent, Lee remarked that after being nominated as Minister on November 1, he had to endure for forty days due to political opposition from the conservative Grand National Party (GNP). In the current Season of Advent, which he implied was a time for anticipation and hope, he was preparing for his new role and was excited to be working as Unification Minister on the North Korea issue. He expressed his satisfaction at hosting the Ambassador as the first foreign envoy received in his capacity as Unification Minister.

- (C) Reading from prepared notes, Lee emphasized the "essential" nature of the U.S.-ROK alliance to peace on the Peninsula and in Northeast Asia and to the effort to achieve a peaceful resolution of the DPRK nuclear issue. The ROKG would work closely with the USG, fully implement UNSCR 1718, and cooperate with the international community to resolve the nuclear issue peacefully. He was hopeful that at the Six Party Talks (6PT), the USG would demonstrate a flexible approach and that the DPRK would bring a more productive attitude than before. The Six Party Talks and North-South talks were two wheels of a wagon that moved in the same direction; progress in one benefited the other. He expressed appreciation for President Bush's remarks in Hanoi on a possible ceremony to end the Korean War should North Korea fulfill its denuclearization commitments, adding that he wished the DPRK would make such an outcome possible. It remained important for the USG and ROKG to cooperate to achieve a peace regime for the Peninsula that would benefit not only Koreans but also Northeast Asia. In that regard, a peace regime was the ultimate objective.
- 14. (C) He continued that the ROKG would appreciate USG support for the Kaesong Industrial Complex and the Mt. Kumgang tourism project. These projects were not just economic in nature but represented Korean dreams for peace and a vehicle to promote reconciliation and cooperation on the Peninsula. He appreciated USG cooperation with the ROK's pending export license request for a Radio Frequency Identification Device (RFID) system that Seoul has argued would assist its monitoring of cross-border cargo shipments to North Korea. USG support would not only help North-South relations but also benefit the U.S.-ROK relationship, he said.
- 15. (C) The Ambassador said that Washington and Seoul shared the same goals and strategic objectives even if there were sometimes disagreements over tactics. He argued that the Six Party Talks and North-South talks were complementary. However, in light of the North's missile launches and nuclear test, U.S.-ROK cooperation and coordination were more important to improve prospects for the 6PT. The USG was committed to achieving a diplomatic resolution and to implement all aspects of the September 19, 2005 Joint Statement. North Korea would stand to gain if it denuclearized and cleared the path toward a permanent peace regime, which would not only improve U.S.-DPRK relations but also the North's role and status in the world. In the short term, the North had the heaviest burden to show good faith because of its actions in July and October and should not be given benefits simply for returning to the 6PT. If the North demonstrated a seriousness of purpose, the United States and the international community were prepared to take steps that should give the DPRK confidence that it could have a different relationship with the outside world.
- $\underline{\ \ }$ (C) On inter-Korean relations, the Ambassador expressed appreciation that President Roh had signaled that food and fertilizer assistance would only resume after tangible progress had been made in the 6PT. This was a good message to North Korea. The USG understood the significance of the Kaesong Industrial Complex (KIC) and the Mt. Kumgang tourism project for South Korea. The KIC offered the potential for supporting change in the DPRK by giving North Koreans experience with market economic practices and with ROK companies that might overcome what they had been taught about the outside world. The USG was actively reviewing the RFID application, and Seoul should be aware that USG actions had demonstrated that Washington was not opposed to KIC. In light of DPRK actions, however, it was natural that the ROKG would make certain adjustments in its policy toward the DPRK, such as delaying the expansion of the KIC and cutting subsidies at Kumgang. We knew that the food and fertilizer suspension was not an easy decision for the ROKG, but it was a good example of efforts to calibrate exchanges to support a more productive Six Party Talks by encouraging North Korea to show more flexibility. The Ambassador also encouraged Seoul to find ways to tighten inspections for cargo going through two DMZ transportation corridors to ensure that UNSCR 1718 was implemented fully.

- 17. (C) Asked about recent opinion polls indicating growing frustration among the ROK public with DPRK intransigence and how it might affect MOU policy, Lee replied that South Koreans overwhelmingly wanted to ensure peace on the Peninsula. South Koreans wanted North Korea to eliminate its nuclear weapons, but since the former Kim Dae-jung administration, South Koreans also sought greater reconciliation and cooperation. Lee opined that consistency was important in relations with North Korea as a way to increase inter-Korean confidence. Based on a commitment to engagement, the ROKG would implement steps in line with UNSCR 1718 and the Six Party Talks. Again, he said, he was confident North-South cooperation would help achieve results at the Talks.
- 18. (C) Lee said that if ROK-DPRK bilateral meetings occurred at the Six Party Talks, Seoul would clearly communicate what Pyongyang needed to do and why the South had decided to suspend food and fertilizer assistance following the DPRK provocations. Lee asserted that the ROKG aid suspensions were probably the most painful penalty faced by the DPRK. North Korea had indirectly requested that Seoul resume its aid, but the ROKG, currently, was not considering a resumption. In his view, sanctions would be more effective if their period of implementation was shorter and not seen as an end in and of themselves. The Unification Ministry's mandate was to explore new alternatives, approaches, and avenues to improve North-South relations. Inter-Korean relations had been troublesome for decades, and only in the past five years had North-South talks shown real results. The DPRK was a poor country, and the ROK felt a moral responsibility to help improve the situation in the North. If North-South issues remained unresolved, U.S.-DPRK and regional issues could not be achieved and the potential for

lasting peace in Northeast Asia would be unrealized.

19. (C) The Ambassador agreed that sanctions were a means to an end rather than a long-term solution. The ROKG aid suspension probably was painful for the DPRK. The challenge remained to get others, such as China, to take similar actions to steer the DPRK in the direction of denuclearization. The DPRK needed to make the choice to get serious at the Talks and start fulfilling its promises to the international community, including South Korea. The North had reneged on a return visit by North Korean leader Kim Jong-il to South Korea after the North-South summit in 2000, and the DPRK had refused to allow the connection of inter-Korean railways. The North was probably afraid that increased contacts with the South would undermine its myths about the reality in South Korea.

NORTH-SOUTH SUMMIT?

 $\P 10$. (C) Responding to a question from the Ambassador, Lee said that the two prerequisites for an inter-Korean summit were an agreement from North Korea and a national consensus in South Korea on the value of a summit. Lee emphasized that, in his view, a second summit should be held. However, the North had not delivered on its promises. The nuclear issue was a dangerous situation that would determine the fate of the Korean Peninsula, so it would be natural for North and South Korean leaders to get together to make progress toward a resolution. President Roh had called on North Korea to hold a second summit, but the DPRK never responded. Lee also said that a second summit should not be interpreted politically as an effort to influence the 2007 presidential election in the ROK. Therefore, it was important for there to be a national consensus in South Korea on the need for a summit. The Ambassador said he hoped that the ROKG would consult with the USG on any inter-Korean summit, given the current situation on the Peninsula and the fragile state of the Six Party Talks. Lee responded, in English, that he

totally agreed that the USG had an important stake in any summit and that the MOU would be forthcoming. $\ensuremath{\mathsf{VERSHBOW}}$